

DEMOCRACY REFORM TASK FORCE WEEKLY NEWS ROUND UP

June 1, 2018

NATIONAL NEWS

Invitations Offer Wealthy Chinese Access to Trump at Fundraiser

The Washington Post

The letter, circulated to dozens of wealthy entrepreneurs in China last week, looked official. Topped with the insignia of a real Republican committee raising money for the party and President Trump's reelection campaign, it purported to offer a handshake and a one-on-one photo with the president for \$100,000 — a "VVIP" trip "to be remembered for a lifetime." The invitation, which Republican Party officials say they had nothing to do with, was not the only such offer. At least two other China-based companies circulated similar solicitations in the past week, offering access to Trump at an official fundraiser in Dallas on May 31, and charging two or three times the price of a ticket. In an interview with The Washington Post, a Beijing man who claims to be an organizer of the excursion to Dallas said he coordinated a previous U.S. trip, bringing members of the Chinese business elite to snap selfies and pose for photos at a swanky Manhattan fundraiser headlined by Trump in December.

Trump to Appear at Fundraiser for Allied Super PAC

POLITICO

President Donald Trump is plunging into the big-donor game, planning an appearance at a six-figure-a-head fundraiser benefiting his allied super PAC. Trump is expected to address America First Action's leadership summit, according to the super PAC's president, Brian Walsh. The president is slated to speak on the second night of the two-day conference, to be held June 18-19 at Trump International Hotel in Washington. Getting in won't come cheap. Donors will need to pony up at least \$100,000 to attend; VIP status will be at least \$250,000.

Ivanka Wins China Trademarks, Then Her Father Vows to Save ZTE

The New York Times

China this month awarded Ivanka Trump seven new trademarks across a broad collection of businesses, including books, housewares and cushions. At around the same time, President Trump vowed to find a way to prevent a major Chinese telecommunications company from going bust, even though the company has a history of violating American limits on doing business with countries like Iran and North Korea. Coincidence? Well, probably. Still, the remarkable timing is raising familiar questions about the Trump family's businesses and its patriarch's status as commander in chief. Even as Mr. Trump contends with Beijing on issues like security and trade, his family and the company that bears his name are trying to make money off their brand in China's flush and potentially promising market. The most recent slew of trademarks appear to have been granted along the same timeline as Ms. Trump's previous requests, experts said. But more broadly, they said, Ms. Trump's growing portfolio of trademarks in China and the family's business interests there raises questions about whether Chinese officials are giving the Trumps' extra consideration that they otherwise might not get.

*Related Story: Ivanka Abruptly Leaves Call After Question About China Trademarks.

*Related Op-Ed: Ivanka Trump's China Trademarks Don't Look or Smell Good.

Trump Pardons Conservative Pundit Dinesh D'Souza

The Washington Post

President Trump granted a full pardon Thursday to conservative commentator Dinesh D'Souza and said he was strongly considering clemency for other celebrity felons, signaling his willingness to exercise his unilateral power to reward friends and allies while undercutting the work of his nemeses in law enforcement. Trump said he was weighing commuting the prison sentence of former Illinois governor Rod Blagojevich (D) as well as granting a pardon to Martha Stewart, the television personality and lifestyle mogul, arguing that they and D'Souza had been unfairly treated by the justice system. With Thursday's announcements, Trump also delivered an indirect but unmistakable message to personal attorney Michael Cohen, former national security adviser Michael Flynn and others ensnared in Trump-related investigations that they, too, could be spared punishment in the future.

*Related Story: <u>Trump Wields Pardon Pen to Confront Justice System.</u>

*Related Editorial: Dinesh D'Souza? Really?

New Swamp: Lobbyist Tied to Perry Seeks Energy Firm Bailout

The Associated Press

At a West Virginia rally on tax cuts, President Donald Trump veered off on a subject that likely puzzled most of his audience. "Nine of your people just came up to me outside. 'Could you talk about 202?'" he said. "We'll be looking at that 202. You know what a 202 is? We're trying." One

person who undoubtedly knew what Trump was talking about last month was Jeff Miller, an energy lobbyist with whom the president had dined the night before. Miller had been hired by FirstEnergy Solutions, a bankrupt power company that relies on coal and nuclear energy to produce electricity. His assignment: push the Trump administration to use a so-called 202 order — named for a provision of the Federal Power Act — to secure a bailout worth billions of dollars. Although Trump didn't agree to the plan — he still hasn't — for Miller, a president's public declaration of interest amounted to a job well done.

Pruitt Spent \$3.5 Million on Security During First Year as EPA Head The Hill

Scott Pruitt spent nearly \$3.5 million on security during his first year as the administrator of the Environmental Protection Agency (EPA), according to an agency breakdown released Friday. Pruitt's round the clock security detail racked up the high costs through both travel and payroll expenses — costing taxpayers more than \$760,000 in travel and more than \$2.7 million in pay during the administrator's first year. The costs for his detail, which have accompanied Pruitt on both international trips like Morocco and Italy and to Disneyland and the Rose Bowl, are significantly higher than the amounts previous administrators spent, the data shows.

Pruitt's Defense Fund Draws Ethics Complaint

Inside Climate News

A group representing government environmental employees filed a federal ethics complaint on Wednesday contending that Scott Pruitt, the head of the Environmental Protection Agency, is violating conflict of interest laws by seeking private contributions to a legal defense fund set up to defend him against ethics complaints. The group, Public Employees for Environmental Ethics (PEER), filed the complaint with the Justice Department's Office of Government Ethics. Pruitt's practices are the subject of about a dozen different investigations. Pruitt revealed the existence of a defense fund to help pay for his legal representation at a May 16 hearing before a Senate Appropriations Committee panel. At the time, he said he would promise not to accept donations from lobbyists or entities with business before the EPA, and he said that the identity of the donors would be made public "pursuant to the requirements of disclosures."

Authors of GOP Tax Law Disperse to Lobby Firms

The Hill

Republican aides in Congress who were instrumental in writing the sweeping tax law last year are hitting the exits to take jobs in the lobbying industry. At least a half dozen high-profile GOP staffers have departed or are departing Capitol Hill, swapping jobs in the legislative branch for plum postings at firms like Akin Gump and Squire Patton Boggs. The exile from Congress

includes top aides for the House Ways and Means Committee, Senate Finance Committee, and the offices of Sens. Mitch McConnell (R-Ky.), Rob Portman (R-Ohio) and Pat Toomey (R-Pa.). Among the biggest departures is Mark Prater, who served as chief tax counsel and deputy staff director for Senate Finance Committee Republicans. Prater, who has not yet announced his next career move, worked for the committee for nearly 30 years. Prater cited Finance Committee Chairman Orrin Hatch's (R-Utah) retirement, the culmination of the tax-reform process and his accumulation of years on Capitol Hill as reasons for his departure.

How a Sanctioned Russian Bank Wooed Washington

The Center for Public Integrity

Foreign campaigns to influence American officials are supposed to be transparent under the Foreign Agents Registration Act, a law requiring detailed disclosure of foreign influence efforts. But few believe FARA has been working well. It is riddled with exemptions. Enforcement is weak. Criminal penalties apply only to willful violations. And lobbyists' filings are frequently late with few consequences, making available information less valuable to the public. For years, not many cared. But now, with accusations of foreign meddling gripping the nation's capital, FARA is drawing intense scrutiny. VTB, a state-owned Russian bank operating under U.S. sanctions limiting its activities since 2014, provides an illuminating example of what Americans learn or don't — under FARA. The bank's hired lobbyists failed to disclose a series of June 2016 meetings with government officials on behalf of the sanctioned bank until months after U.S. law required them to. One firm, Sidley Austin, which boasts more than 2,000 lawyers worldwide, made the disclosure last year only after being contacted by the Center for Public Integrity about the meetings. And FARA administrators, citing a technical glitch, failed for three years to publicly release a document disclosing VTB had hired the U.S. Treasury Department's former general counsel to advocate on its behalf. Such disclosure holes are "a glaring example" of "a broader pattern of noncompliance with FARA and underenforcement of FARA," said Ben Freeman, director of the Foreign Influence Transparency Initiative at the Center for International Policy, a think tank, and author of a book on foreign influence.

The Return of the Spoils System

The American Prospect

Trump and his team are have launched a multi-pronged assault on federal workers, arguably violating civil service laws and weakening government accountability.... The administration's latest move to deconstruct what former White House strategist Steve Bannon derided as the "administrative state" came late last week in the form of three executive orders that will make it easier to fire federal workers and negotiate tougher contracts with their unions. The orders also bar federal employees from spending more than a quarter of their "official" time on union-related work.... Some Trump advisers, most notably former House Speaker Newt Gingrich,

have let slip the real reason Trump wants to give workers slated for firing only 30 days to improve performance, as opposed to the previous standard of up to 120 days. "When you learned that 97 percent of Justice Department donations went to Hillary Clinton, 99 percent of State Department donations went to Hillary, there are some reasons to believe a substantial number of people don't want Trump to succeed." ... The whole idea behind the merit-based civil service, which dates back to the Pendleton Act of 1883, was to usher out a 19th century "spoils" system that rewarded political loyalists with government jobs.... Yet Trump and his administration treat any affiliation with the Democratic Party as a firing offense.

IN THE STATES

Tables are Turned on Public Campaign Financing

CT Post

Republican lawmakers have repeatedly tried to dismantle the state's landmark Citizens Election Program, saying the state can't afford it in the midst of a budget crisis. But four Republican candidates for governor are still attempting to qualify for the \$1.25 million primary grant while none of the remaining Democratic candidates for governor are seeking public funding. House Minority Leader Themis Klarides, R-Derby, has been vocal about her desire to see the state eliminate the Citizens Election Program and helped craft a budget that would have defunded it. She stopped short of saying candidates shouldn't participate in the program this year. "Our proposals never passed so the money is still in there and it would just sit in there," Klarides said. "We can't just take it away." Danbury Mayor Mark Boughton, former Trumbull First Selectman Tim Herbst and Westport businessman Steve Obsitnik all qualified for the primary, and have applied for public financing. Shelton Mayor Mark Lauretti is attempting to petition his way onto the ballot and is also seeking public financing.

<u>Publicly Funded Elections Give Berkeley Voters Greater Voice in 2018</u> Berkeleyside (Opinion)

At first glance, the 2018 City Council elections in Berkeley may appear similar to previous elections. Multiple candidates will square off to outline a vision for Berkeley's future, grapple with tough questions related to affordable housing, schools, crime and policing and more, and make their pitch to voters. But this year, Berkeley residents have a new tool to make their voices heard and limit the influence of big money donors. That's because 2018 will mark the first year of the Berkeley Fair Elections program, which passed by ballot initiative in 2016 with 65% support from voters. By providing public matching funds to candidates who rely on small donations, the program empowers leaders without deep pockets or wealthy networks to run for

office and encourages candidates to run grassroots campaigns, ensuring that they truly represent their communities once elected.... As the 2018 election unfolds, the Berkeley Fair Elections program offers a renewed chance for Berkeley residents to get engaged and for local leaders with community support to run for office using the program. That's an important improvement for local democracy—and one Berkeley residents can take pride in.

KEY OPINION

What Makes Dems' Deal Better?

The Dispatch-Argus (Op-Ed by Rep. Cheri Bustos)

As everyday folks pore over bills around the kitchen table, they wonder why their health care costs are going up 20 percent while the former health secretary spent more than \$1 million on taxpayer-funded private jets. They question why their rent is tripling when Housing Secretary Ben Carson spent \$31,000 on a dining room table set. And they are left scratching their heads as to why the treasury secretary took a military jet with his wife to see a solar eclipse while their own family is left in the dark about their economic future.... Enough of these Washington elitists who hold control of the House, the Senate and the White House, turning America into a nation OF the rich, BY the powerful and FOR the lobbyist? There's a swamp alright. That is why I was proud to announce this past week A Better Deal for Our Democracy. This is a real plan to toughen and bulletproof our nation's ethics laws, overhaul our campaign finance system and empower Americans to have their voices heard.... When we commit to a Better Deal for our Democracy, we can put government back on the side of working people again.

Congressional Democrats Pushing for Bold Democracy Solutions

InsideSources (Op-Ed by Mike Sozan of the Center for American Progress)

Our Founding Fathers warned of the dangerous potential that our government could become monopolized by special interests that may poison the public's trust. More than 200 years later, the Supreme Court's disastrous *Citizens United* decision has sparked an epidemic of secret and foreign money influencing elections. Our outmoded campaign finance system favors payto-play politics over middle-class families, whose voices are further threatened by diminished voting rights and election infrastructure that is vulnerable to hostile foreign nations like Russia. But there is some cause for optimism. By a margin of 71 to 29 in CAP's poll, voters say they want a more active federal government to tackle important economic and social problems. And 65 percent of voters believe new campaign finance laws could reduce money in politics so government is more responsive to everyday families, according to a recent Pew poll. Now more than ever, Democrats must show that they are the party that wants to expand the essential right

of every American to have their voice heard and to spur progressive economic changes that will help all Americans. That's why the time is right to advance the democracy reform agenda unveiled by congressional Democrats, the Better Deal for Our Democracy.

One Reform to Save America

The New York Times (Opinion)

There's nothing in the Constitution that says there have to be only two parties. There's nothing in the Constitution about parties at all. There's not even anything in the Constitution mandating that each congressional district have only one member and be represented by one party. We could have a much fairer and better system with the passage of a law. The way to do that is through multimember districts and ranked-choice voting. In populous states, the congressional districts would be bigger, with around three to five members per district. Voters would rank the candidates on the ballot. If no candidate had a majority of first-place votes, then the candidate with the fewest first-place votes would be eliminated. Voters who preferred that candidate would have their second-choice vote counted instead.

Campaign-Finance Reform Can Save the GOP

The Atlantic

If Republicans lose the House in 2018, expect the Trumpist right to start thinking very hard about the virtues of campaign-finance reform. Imagine adding a civic-republican twist to Khanna's proposal: What if voters could only use their democracy dollars to support candidates for whom they could actually vote? That would further encourage candidates to heed their constituents. We would thus have candidates running on two separate tracks: those who would rely solely on their ability to garner contributions from the women and men they are seeking to represent, and another for those confident in their ability to raise campaign funds from wealthy out-of-state donors. There are, to be sure, kinks to be ironed out. Inevitably, unscrupulous grifters will seek to hoover up democracy dollars for their own purposes, which will necessitate strict regulation.... But without something like Khanna's system, Republicans might have no choice other than relying on an endless series of celebrities and provocateurs who, like Trump himself, can attract endless hours of free media attention.... Campaign finance reform has no purchase in a Republican Party led by Paul Ryan and McConnell. Once they leave the scene, however, it might strike populists and nationalists as indispensable.

